

1 KELLER BENVENUTTI KIM LLP  
Tobias S. Keller (#151445)  
2 (tkeller@kbbkllp.com)  
Peter J. Benvenuti (#60566)  
3 (pbenvenuti@kbbkllp.com)  
Jane Kim (#298192)  
4 (jkim@kbbkllp.com)  
650 California Street, Suite 1900  
5 San Francisco, CA 94108  
6 Tel: 415 496 6723  
Fax: 650 636 9251

7 *Attorneys for Debtors and Reorganized Debtors*  
8

9 **UNITED STATES BANKRUPTCY COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**  
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation  
19 ☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

20 *\* All papers shall be filed in the Lead Case, No.*  
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' NINETIETH  
OMNIBUS OBJECTION TO CLAIMS (NO  
LIABILITY CLAIMS)**

**Response Deadline:**  
**July 14, 2021, 4:00 p.m. (PT)**

**Hearing Information If Timely Response Made:**

Date: July 28, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**  
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**  
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as  
5 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to  
6 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the  
7 “**Chapter 11 Cases**”) hereby submit this Ninetieth Omnibus Objection (the “**Objection**”) to the Proofs  
8 of Claim (as defined below) identified in the column headed “Claims To Be Disallowed and Expunged”  
9 on **Exhibit 1** annexed hereto.

## 10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*  
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and  
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern  
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28  
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The  
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the  
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (collectively, the  
18 “**Bankruptcy Rules**”).

## 19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary  
21 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the  
22 Debtors continued to operate their businesses and manage their properties as debtors in possession  
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed  
24 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural  
25 purposes only pursuant to Bankruptcy Rule 1015(b).

26 Additional information regarding the circumstances leading to the commencement of the Chapter  
27 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the  
28 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket  
No. 263].

1 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*  
2 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*  
3 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*  
4 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*  
5 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all  
6 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section  
7 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire  
8 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the  
9 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and  
10 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**  
11 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire  
12 Claimants to December 31, 2019 [Docket No. 4672]<sup>1</sup>; and subsequently with respect to certain claimants  
13 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims  
14 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

15 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*  
16 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be  
17 further modified, amended or supplemented from time to time, and together with any exhibits or  
18 schedules thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**  
19 **Date**”). See Dkt. No. 8252.

### 20 **III. RELIEF REQUESTED**

21 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,  
22 Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*  
23 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*  
24 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),  
25 seeking entry of an order disallowing and expunging Proofs of Claim for which the Reorganized Debtors  
26 are not liable (the “**No Liability Claims**”). The No Liability Claims are identified on

27 <sup>1</sup> The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of  
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 **Exhibit 1**, in the columns headed “Claims To Be Disallowed and Expunged.” **Exhibit 1** also specifically  
2 identifies in the “Basis for Objection” that the No Liability Claims are classified as:

3 (1) “No Liability Subcontractor Claims,” which all relate to Proofs of Claim asserted against  
4 the Debtors for amounts incurred by subcontractors indirectly retained by the Debtors. After reviewing  
5 their books and records and the information submitted with the Proofs of Claim, the Reorganized Debtors  
6 have determined that each of the No Liability Subcontractor Claims is attributable to the relevant general  
7 contractor on each project. The Reorganized Debtors determined this either from the face of the Proof  
8 of Claim listing the general contractor or by follow-up correspondence with the Claimant. In all cases,  
9 the Reorganized Debtors took the additional step of confirming that if the general contractor had filed a  
10 Claim, it had already been satisfied, such that any payment on account of the No Liability Subcontractor  
11 Claims would be duplicative. The Reorganized Debtors thus do not have any direct liability for the No  
12 Liability Subcontractor Claims.

13 (2) “Protective Claims.” These are proofs of claim that assert protective, unliquidated claims  
14 potentially owing post-petition. The Reorganized Debtors have reviewed their books and records and  
15 have determined that they have no known liability as of the Petition Date with respect to the Protective  
16 Claims. Approval of the relief requested herein will not prejudice the holders of any of the Protective  
17 Claims because (a) the Claimants retain all non-bankruptcy remedies that would have existed had these  
18 Chapter 11 Cases not been filed and (b) the Debtors commit that they will not raise any bankruptcy  
19 defenses to future assertion of claims based on the alleged post-petition failure of the Reorganized  
20 Debtors to perform or honor their obligations relating to such claims.

21 (3) “Rule 20A Claims.” These Claims are based on certain credits earned by cities or  
22 counties within the Debtors’ service area as part of a program under the California Public Utilities  
23 Commission for placing overhead electric facilities underground. These credits accumulate annually  
24 and are calculated by the Debtors based on, among other things, the amount of the city or county’s  
25 electric lines as a percentage of the lines within the Debtors’ overall service area. Once a city or county  
26 has accumulated enough credits, it may then seek to draw from these credits to fund an undergrounding  
27 project that is shown to be in the public interest. Pursuant to the first-day order allowing the Debtors to  
28 continue their customer programs, the Debtors have maintained the Rule 20A program throughout the

Chapter 11 Cases. However, these Rule 20A credits are not deposits or prepayments, and the Debtors have no liability to the Rule 20A Claimants for these credits. Accordingly, the Reorganized Debtors have determined they are not liable for these amounts and the corresponding Proofs of Claim should be disallowed and expunged. For the avoidance of doubt, with respect to all of the Rule 20A Claims, the Reorganized Debtors will continue to honor the Claimants' participation in the Rule 20A program in the ordinary course as if the Chapter 11 Cases had not been commenced.<sup>2</sup>

(4) "Settlement No Liability," referring to a Claim where the Debtors entered into a settlement agreement (the "**Settlement Agreement**") with the Claimant prior to the Petition Date that provides for installment payments to the Claimant. All installment payments due prior to the Petition Date were paid prior to the Chapter 11 Cases, and the Debtors continued make payments as they came due under the Settlement Agreement during the Chapter 11 Cases. Accordingly, the Reorganized Debtors do not have any liability with respect to this Claim, beyond making the future installment payments as provided in the Settlement Agreement. For the avoidance of doubt, the Reorganized Debtors will continue to make such payments pursuant to the Settlement Agreement in the ordinary course as if the Chapter 11 Cases had not been commenced.

As set forth in the letter attached hereto as **Exhibit 2**, which is being sent to the holder of the Settlement No Liability Proof of Claim along with the individualized notice of this Objection, the Reorganized Debtors view the relief requested herein as purely administrative in nature and the expungement of the Settlement No Liability Proof of Claim from the Bankruptcy Court claims register does not affect the holder's underlying rights pursuant to the Settlement Agreement.

(5) "Miscellaneous No Liability Claims." These are Proofs of Claim where the Reorganized Debtors, after conducting a thorough review of the Proof of Claim, concluded that there is no basis for liability. The Reorganized Debtors' review of each Proof of Claim consisted of (i) a review of the Debtors' books and records, and (ii) a review of information submitted by the Claimant in connection with the respective Proof of Claim. In each instance, the Reorganized Debtors determined that the claim

---

<sup>2</sup> Claim nos. 79374, 79483, and 87909 also request amounts for franchise fees, for which the Reorganized Debtors have satisfied all pre-petition amounts and continue to pay as due in the ordinary course pursuant to the first-day order authorizing the payment of pre-petition taxes [Docket No. 698]. Accordingly, the Reorganized Debtors are not liable for any amounts asserted in the Rule 20A Claims.

1 was not valid, and the review discovered no basis for the claim. Accordingly, the Reorganized Debtors  
2 have determined they are not liable for these amounts and the corresponding Proofs of Claim should be  
3 disallowed and expunged.

#### 4 **IV. ARGUMENT**

##### 5 **A. The No Liability Claims Should be Disallowed and Expunged**

6 The Omnibus Objections Procedures Order supplemented Bankruptcy Rule 3007(d) to permit  
7 the Reorganized Debtors to file objections to more than one claim if “[t]he claims seek recovery of  
8 amounts for which the Debtors are not liable.” Omnibus Objections Procedures Order, ¶ 2(C)(iii).  
9 Bankruptcy Rule 3007(e) requires that an omnibus objection must list the claimants alphabetically and  
10 by cross-reference to claim numbers. The Reorganized Debtors and their professionals have reviewed  
11 each of the No Liability Claims identified on Exhibit 1 and have determined each represents a Proof of  
12 Claim for which the Reorganized Debtors do not have any liability.

13 Each of the Claimants is listed alphabetically, and the claim number and amount are identified  
14 in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections  
15 Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of  
16 the No Liability Claims.

##### 17 **B. The Claimants Bear the Burden of Proof**

18 A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C.  
19 § 502(a).<sup>3</sup> Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim  
20 may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under  
21 any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to  
22 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”  
23

---

24 <sup>3</sup> Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the Reorganized  
25 Debtors to bring objections to Claims initially was extended through and including June 26, 2021 (except  
26 for Claims of the United States, which deadline was extended to March 31, 2021) [Docket No. 9563].  
27 That deadline has been further extended through December 23, 2021, except for Claims of the California  
28 Department of Forestry and Fire Protection, which deadline was extended to September 30, 2021,  
without prejudice to the right of the Reorganized Debtors seek further extensions thereof [Docket  
No. 10494]. The deadline with respect to Claims of the United States has been further extended by  
stipulation and order [Docket Nos. 10459 and 10463].

1 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*  
2 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the  
3 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*  
4 *(In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*  
5 *Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir.  
6 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting  
7 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039  
8 (9th Cir. 2000); *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993); *In re Fidelity*  
9 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

10 As set forth above, the Reorganized Debtors submit that the No Liability Claims do not represent  
11 a current right to payment and, therefore, should be disallowed and expunged in their entirety. If any  
12 Claimant believes that a No Liability Claim is valid, it must present affirmative evidence demonstrating  
13 the validity of that claim.

#### 14 **V. RESERVATION OF RIGHTS**

15 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of  
16 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this  
17 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs  
18 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,  
19 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to  
20 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the  
21 grounds of objection specified herein be overruled, wholly or in part, the Reorganized Debtors reserve  
22 the right to object to the No Liability Claims on any other grounds that the Reorganized Debtors may  
23 discover or deem appropriate.

#### 24 **VI. NOTICE**

25 Notice of this Objection will be provided to (i) holders of the No Liability Claims; (ii) the Office  
26 of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii) all  
27 counsel and parties receiving electronic notice through the Court’s electronic case filing system; and  
28 (iv) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant

1 to Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice is  
2 required. No previous request for the relief sought herein has been made by the Reorganized Debtors to  
3 this or any other Court.

4 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the  
5 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the  
6 best interests of their estates, creditors, shareholders, and all other parties' interests, and (ii) such other  
7 and further relief as the Court may deem just and appropriate.

8 Dated: June 17, 2021

**KELLER BENVENUTTI KIM LLP**

9 By: /s/ Thomas B. Rupp  
10 Thomas B. Rupp

11 *Attorneys for Debtors and Reorganized Debtors*  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28